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Annex "A," Subparagraph 1q,
Sociological Background

PUBLIC WELFARE

1746 Industrialization and other economic developments have been the main cause of rapid urbanization in Formosa in the last few decades. During this time much social dislocation has occurred and many new social problems have arisen. Within the traditional family system there was practically no need for social insurance. The clan provided for its aged, unfortunate, infirm, and destitute members, as did the extended families to members who needed assistance (see chapter on the Family). In the agricultural society, life was serene and subject to few changes. With the advent of industrialization and the introduction of new techniques, the pattern of life was partially, if not wholly, geared to a social system characteristic of Western industrial society. Even surpassing the rapid rate of increase in the total population, the number of urban population (those living in communities with over 40,000 population) has increased more than 5 times[1] since 1930.

1. These data are derived from A. F. Raper and others, Urban and Industrial Taiwan, Taipei, Foreign Operations Administration and National Taiwan University, 1954, p. 255.

1746 In recent years, the number of households on relief and the number of urban persons who must earn their livelihood by "marginal self-employment" have increased. However, the need for unemployment insurance may not be as urgent as it is in countries that are dependent upon industry for the major part of their national income, although some such scheme is perhaps becoming more necessary. Changes in the family system and the concept of the family, the trend of population growth, education, and technology, are all likely to create social problems of far-reaching effect. The unfortunate aspects of such changes must eventually be made a national concern, and a comprehensive social-security program must be created.

A. Social Insurance

In Formosa, as well as in some other societies, a strong sense of family obligation acts as a kind of social insurance. Parents support their children, children support their parents, husbands assist their wives' relatives, and relatives provide each other with such help as they can render in time of trouble. This sense of obligation arising from kinship is still very strong in rural areas, but it is less common in industrial areas.

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Efforts toward the establishment of such a system of social insurance as is known in industrialized countries have been increasing in the last few years, although Formosa is still far from the attainment of a comprehensive system. A collective labor-insurance policy was put into effect on June 1, 1950 for all the workers in public and private factories, mines, salt fields, communications, and public utilities. Insurance coverage includes injury, disability, maternity, death, and old age. However, there is no sickness insurance, although it is in demand among the workers.

An injured worker, while unable to work, receives free medical attention and also daily maintenance assistance amounting to one-half to two-thirds of his earnings. Maternity insurance gives pregnant workers two months with full pay and some maternity benefits. It also allows maternity benefits to the wife of the insured worker, but the benefit is paid for a period of ten days only.

Insurance against death is provided for the worker or for any member of his family, and the beneficiary receives a payment amounting to 10 to 24 times the worker's monthly earnings, as well as an additional amount to cover some of the funeral expenses, depending upon the length of the period during which the insured has held the policy and paid

741 premiums. For instance, if a worker has held his policy for four years or more, his beneficiary is entitled to 20 times the amount of monthly earning at the time of death. Death of any member of the family of the insured brings benefits equivalent to one month's wages.

Old-age insurance has some restrictive and impractical provisions regarding the payment of benefits. An insured worker must carry the insurance for at least fifteen years and must reach 60 years of age before he can be considered for retirement with a lump sum benefit equal to 15 months of his earnings.

The insurance premiums are paid to the Labor Insurance Agency (a branch of the government-operated Taiwan Life Insurance Company) at the rate of 3 per cent of an insured worker's monthly earnings. Of this 3 per cent, 20 per cent is paid by the insured, 20 per cent by the provincial government, and 60 per cent by the employer. A similar insurance plan for fishermen has been in operation since 1953; there is a slight variation in the payment of premiums. By the end of 1954, insurance had been acquired by 255,000 workers and 73,900 fishermen, and over NT $50,000,000 [US $2,657,000] in benefits had been paid to

746 142,488 cases.[2]

Another and similar type of insurance designed for all levels of government employees is now in the process of being instituted. An interesting feature of this plan is that it allows insurance against sickness, a provision which is lacking now in both labor and fishermen's insurance. All employees under this plan, regardless of their official rank, will pay a flat-rate, and the government will assist in the payment of premiums -- paying a greater share of the premium for those of lower rank.[3]

As industrialization and urbanization continue there will rise a need for other types of social insurance, such as unemployment insurance and old-age pensions.

B. Social Welfare

746 747 Welfare activities in Formosa are promoted and fostered by the government through legislation and supervision, with a view to the improvement of the living conditions and the mental well-being of the people.

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2. Hsin-she-hui [New Society Monthly], Vol. 8, No. 3, pp. 3-5.

3. Chung-yang Jih-pao [Central Daily News], Aug. 11, 1955.

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747 In recent years, activity in labor welfare has been most conspicuous. The law provides that all enterprises set aside a certain portion of their capital stock and income for the establishment of "welfare units" such as cafeterias, low-cost housing, clinics, night classes, public baths, barber shops, nurseries, placement offices, laundries, and libraries. As an example, a government-owned cigarette-manufacturing factory at Sung-shan (near Taipei) furnishes its workers with free transportation, has a clinic of its own, and provides such benefits as a day nursery, laundry facilities, cold-drink stands, a barber shop, and public baths. Labor unions also participate in establishing welfare units. Each of the general labor unions and hsien federations has a "Labor Welfare Committee" with the function of improving living conditions and mitigating the hardships imposed by the low wage scale. For instance, there is a "labor clinic" in the Keelung City General Labor Union and in the Hsien Federation of Labor at Taichung, Hsinchu, Yilan, Chiayi, and Taoyuan.[4] There is also a "home of labor," forming a center of welfare activities, in the Hsien Federation of Labor at

4. China News Service, T'ai-wan Ching-chi Nien-pao 1953 [Annual of Taiwan's Economy 1953], Taipei, 1953, p. 174.

746 747 Yilan, Hualien, Taichung, Chiayi, and Kaohsiung.[5] Most of the welfare units have stores which sell daily necessities to union members and workers at lower prices than those prevailing in the markets. As of 1954, there were 354 such welfare units on Formosa, with 2,120 sub-units such as clinics and cafeterias.[6]

Similar welfare benefits exist for fishermen, farmers, and salt workers. For instance, the Tainan Salt Field Welfare Service provides for its workers, emergency loans, medical service, a milk supply and motion pictures.

To alleviate housing problems, a low-cost housing program was completed in 1954 for Keelung dockworkers. Housing programs in large cities are also being carried out under the auspices of the government, United States agencies, and related organizations.

The Committee for Directing Women's Movements has a welfare division where a

5. Chung-hua Nien-pao 1953 [China Annual 1953], Taipei, 1953, Vol. I, pp. 99-100.
6. China Annual, 1954, Vol. III, p. 90.

746 747 tailoring class is held and legal and marital counseling and employment assistance are given. Many women's associations at provincial and hsien levels have vocational-training classes for women in an effort to increase their earning capacity. The Taipei Municipal Government has recently launched a rehabilitation program for 200 prostitutes, and gives them training in nursing, sewing, embroidery, typing, etc.[7] To assist children's health growth and to lighten the responsibility of working mothers, many nurseries have been established on Formosa. In Taipei alone there are 16 nurseries, not including those established by various private enterprises, equipped to care for over 2,000 children.[8]

C. Social Relief

746 Regular relief is given to the aged, the destitute, and the dependent. The relief organizations emphasize self-help rather than direct relief. There are 5 provincial and 11 private relief homes on the island, accommodating over 3,200 persons. Their activities are generally confined to medical attention, classes in trades and techniques, and education

7. The Asia Foundation Bulletin, May 23, 1955.

8. Hsin-she-hui [New Society Monthly], Vol. 6, No. 4, pp. 29-32.

for citizenship. The four provincial relief homes at Taipei, Pingtung, Hualien, and Makung house the old, educate and train the disabled, the poor, and dependent children, and give medical care wherever necessary. The Provincial Women's Home in Tainan accomodates aged women and aids destitute women. Some of the private relief organizations have a long history of relief activities extending back to the time of the Ch'ing Dynasty (1644-1912). For instance, the Private Taipei Ai-Ai Relief Home and the Taipei Jen-chi Relief Home have long engaged in caring for the aged, the giving of medical care, rehabilitation of the disabled, and guarding and caring for the mentally ill. Four orphanages, two in Taipei and the others in Taichung and Tainan, receive orphans of 2 to 12 years of age. The Taipei Provincial Orphanage, located at Peitou, has full-time custody of 300 orphans and dependent children. The children are well-fed by Formosan standards; each receives 500 grams of rice and NT $1.50 equivalent of meat and vegetables per day. In addition the orphanage provides both kindergarten and elementary education. Some 50 other children of the poor in the area attend the orphanage's primary school, and 162 attend its kindergarten.

Emergency relief entails disaster relief, winter relief, and refugee relief. The law

731 provides that the local authorities of disaster-
746 stricken areas (most disasters being the result of typhoons, earthquakes, and floods) report to the provincial authority, so that afflicted people may be given shelter, food, and medical attention. The government, in addition to the supervision of relief work, contributes about one-third of the financial expenses, and private organizations of all kinds and public-minded individuals contribute to make up the rest. When the southern part of the island was stricken by a destructive typhoon in 1952, the whole island joined in a "Relieve-the-South" campaign, in which schools, business enterprises and organizations, public agencies, and private individuals were urged to contribute cash or "in kind" to a relief fund which was administered by the government.

746 Every year from December to March, hsien and municipal governments take the lead in providing winter relief to the poor. Contributions from schools, from various organizations, including churches, and from individuals are pooled under the administration of the local authority and money, food and clothing are given to the needy.

Relief of refugees from the China Mainland, and recently from the Tachen Islands, is being carried out chiefly by the government

746 and the China Mainland Refugee Relief Association, and to some extent by other organizations. The association extends its activities to Hong Kong and other areas of the world; it receives contributions and donations at home and from abroad. In the fall of 1955, about 1,000 fishermen who fled to Hong Kong from the Mainland were each given HK $20 by the relief association.

For refugees in Formosa, direct relief, low-rate loans, relocation on farms, and employment assistance are administered by the relief association. Some 5,000 families evacuated from the Tachen Islands are now being integrated into the economy of Formosa. Villages and farms have been constructed for them, and many have entered the fishing, farming, small business, and handicraft industries. A total of 514 disabled persons among the refugees from the Tachen Islands were given medical treatment and shelter by the provincial government.